

# Appendix **B**

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## Procurement

### Synopsis

The federal government spends about \$200 billion a year on the procurement of goods and services. Small firms annually receive more than 20 percent of all prime contract dollars and another 10-14 percent of the federal procurement pie in subcontracts. The small business share could range from 20.9 percent to 25 percent depending on the baseline used to calculate their participation level. Large firms receive more than 60 percent of all federal procurement dollars.

Federal contract markets are changing at an unparalleled pace. Two recent laws, the Federal Acquisition Streamlining Act (FASA), enacted in 1994, and the Federal Acquisition Reform Act (FARA) or Clinger-Cohen Act, enacted in 1996, have had an unprecedented impact on the federal procurement process. Additional reforms are imminent, especially with the December 1997 enactment of both HUBZone and contract bundling legislation.

The 1994 and 1996 laws are designed to save money, reduce paperwork burdens on federal contractors, facilitate the acquisition of commercial products, enhance the use of simplified procedures for small purchases, transform the acquisition process to electronic commerce, and improve the efficiency of the laws governing the procurement of goods and services.

To put it simply, the reforms are intended to make the government operate more like a commercial buyer and make it easier and more appealing for businesses to participate in government markets. Many of the implemented changes are benefiting small firms, even though some longstanding small business protections have been weakened or eliminated in the process.

In FY 1996, small businesses won \$66.4 billion in federal contract awards, including \$41.1 billion in direct contract awards from the federal government and an additional \$25.3 billion in subcontracts from prime contractors working directly for the federal government.

The \$66.4 billion total represents 34 percent of the \$197.6 billion in contract actions awarded by the federal government in FY 1996, a modest increase from the previous year's 33.0 percent small business share. The overall share increased by about 1 percent, because more subcontract dollars were awarded to small firms, but prime contract dollars awarded to small businesses decreased from \$42.9 billion in FY 1995 to \$41.1 billion in

**FY 1996. The overall percentage of federal contract dollars awarded to small firms has increased every year since 1993.**

**The percentage of contracts awarded in FY 1996 to small minority- and women-owned businesses remained at levels consistent with FY 1995. In FY 1996, minority-owned firms were awarded \$10.9 billion in prime contracts or 5.5 percent of total federal contract dollars. Women-owned firms were awarded \$3.4 billion in prime contracts or 1.7 percent of federal buys for the same period.**

## Introduction

In fiscal year 1996, the federal government awarded \$197.6 billion in contract actions for the purchase of goods and services, an amount equal to approximately 3.9 percent of the 1996 gross domestic product (\$7.6 trillion) of the United States. This amount includes contracting for the purchase of goods and services such as research and development, educational and training courses, paint, tools, toiletries, military weapons, housing, and hardware. Costs associated with payment for these goods and services support federal civilian and military personnel around the world.

The government awarded small businesses \$41.1 billion in prime contract dollars, including \$32.0 billion in actions over \$25,000 and \$9.2 billion in actions of \$25,000 or less (Table B.1 and Chart B.1).<sup>1</sup> Small businesses received about 25 percent of prime contract dollars awarded to U.S. business concerns and about 21 percent when their performance is compared with all prime contract dollars including contracts for foreign military sales, contracts with directed sources of supply (National Industries for the Blind/National Industries for the Severely Handicapped), and contracts with educational institutions, non-profit organizations, and state and local governments. Adding the dollar value of small business subcontracts increases the total by an additional \$25.3 billion, to \$66.4 billion. The small business share of this total in FY 1996 was 34 percent.<sup>2</sup>

## Size of Federal Contract Actions

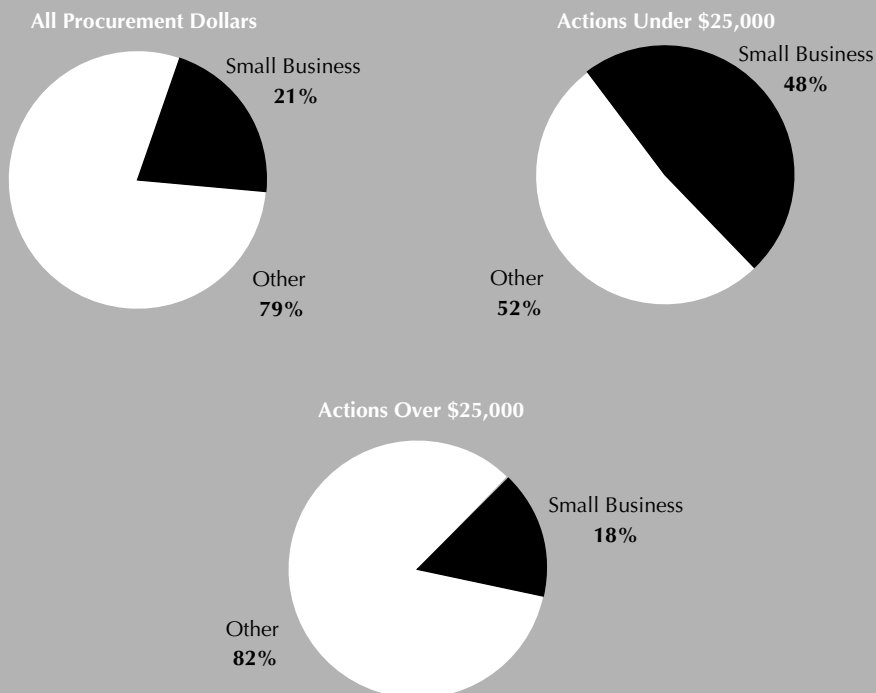
The federal contracting process involves a relatively small number of very substantial purchases and a large number of smaller awards. Nearly 90 percent (\$178.6 billion) of the FY 1996 federal procurement dollars were

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<sup>1</sup> A small firm is defined for procurement purposes by size standards established by the U.S. Small Business Administration. Typically, for most purposes, the SBA's Office of Advocacy defines a small business as having fewer than 500 employees and not dominant in its field. For detailed definitions for procurement purposes, see SBA's small business size regulations at 13 CFR 121.9, published January 1, 1996.

<sup>2</sup> Data on subcontracting awards are based on federal agency reports required by Public Law 95-507, Section 221(h).

**Chart B.1** *Federal Contract Dollars by Size of Contract Action, FY 1996*



Source: Federal Procurement Data System, *The FPDS Federal Procurement Report*, January 13, 1997.

awarded in contract actions over \$25,000 (Table B.2). These large transactions, however, accounted for only 3 percent of the contract actions executed during the period. Conversely, 97 percent of the total number of contract actions (valued at \$19 billion) were issued in contract actions of \$25,000 or less.<sup>3</sup>

Small businesses are significantly more successful in competing for smaller awards than they are in competing for larger contracts. They were awarded about one-half (48 percent) of total federal dollars in contract ac-

<sup>3</sup> The Federal Procurement Data System (FPDS) has been publishing data on contract awards since FY 1979. From FY 1979 to FY 1983, the FPDS published detailed data on all contract awards over \$10,000. Starting in FY 1983, the Department of Defense (DOD) increased its reporting threshold from \$10,000 to \$25,000; for civilian agencies, a similar change began in FY 1986. For FY 1994, the threshold has been raised to \$100,000 for civilian agencies and the DOD. Unless otherwise stated, the discussions of federal procurement in this and subsequent sections of this report reflect contract actions over \$25,000.

tions of \$25,000 or less, but just 18 percent of the larger awards over \$25,000. The financial returns are, of course, much greater for the small businesses that win larger awards.

The Federal Acquisition Streamlining Act of 1994 (FASA), signed into law on October 13, 1994, simplified the federal contracting process. Prior to enactment of FASA, only procurements of \$25,000 or less could be set aside for small businesses with limited competition. Government procurement personnel may now follow a simplified small business acquisition process for purchases between \$2,500 and \$100,000 as long as there is a reasonable expectation of bids being received from two or more responsible small businesses whose bids are competitive and commensurate with market expectations.

## **Sources of Small Business Awards by Agency/Department**

More than 65 percent (\$20.9 billion) of the total \$32 billion in prime contract dollars over \$25,000 awarded to small businesses in FY 1996 resulted from Department of Defense (DOD) awards (Table B.3). The next largest source of federal contracting awards to small businesses was the General Services Administration, which accounted for 8.1 percent (\$2.6 billion) of the total dollars awarded to small businesses in FY 1996, followed by the Department of Transportation with 4.1 percent (\$1.3 billion), and the Department of Agriculture with 3.3 percent (\$1.1 billion).

### **Small Business Share of Purchasing Agency Awards**

The small business share of agency procurement budgets is one measure of small businesses' ability to win contracts from the principal procurement centers of the federal government. For example, although the Department of Defense accounted for 65 percent of all contract dollars over \$25,000 awarded to small businesses in FY 1996 (Table B.3), this amounted to only 17 percent of DOD's total (Table B.5).

As measured by their share of agency budgets, small businesses were most successful in winning awards from the Department of the Interior, garnering 48.8 percent of the agency's total award dollars, followed by the General Services Administration (47.3 percent), the Department of Agriculture (45.5 percent), and the Department of Transportation (42.6 percent). Small businesses won less than 38 percent of prime contract award dollars in all other federal agencies in FY 1996 (Table B.5).

## **Product/Service Categories**

The federal contracting markets encompass three major categories of goods and services: supplies and equipment, research and development, and other services and construction (Table B.6). The volume of award dollars in each of

the three major procurement categories shifted slightly as a percentage of total awards from FY 1995 to FY 1996.

The services and construction category, which includes activities as diverse as architectural and engineering services, data processing, telecommunications, general construction, and management support services, declined slightly from 48.6 percent in FY 1995 to 47.9 percent in FY 1996. Expenditures for supplies and equipment, the second largest category, increased modestly, from 35.7 percent to 36.3 percent. Research and development (R&D) also gained ground, accounting for 15.8 percent of awards in FY 1996, compared with 15.7 percent in FY 1995.

Small businesses experienced a market share increase in only one of the three major categories from FY 1995 to FY 1996. In research and development, the small business share increased slightly from 11.2 percent to 12.0 percent (Table B.7). Small firms decreased their market share of service and construction contract awards from 23.2 percent to 22.9 percent and supplies and equipment awards from 15.0 percent to 14.7 percent.

## Small Business Innovation Research

FY 1996 was the fourteenth year of the Small Business Innovation Research (SBIR) program. Ten government agencies with extramural R&D obligations over \$100 million participate by setting aside a small percentage of their external R&D budgets for the program.<sup>4</sup> The percentage was 1.25 percent in FY 1992, 1.5 percent in FY 1993 and FY 1994, and 2.0 percent in FY 1995 and FY 1996. The small business percentage increased to 2.5 percent beginning in FY 1997.

The SBIR program has three phases. Phase I is a limited effort, usually for six months, to determine the scientific and technical merit and feasibility of an idea. This phase has been restricted by the new legislation to ideas “that appear to have commercial potential.” The amount that can be awarded in Phase I has been raised from \$50,000 to \$100,000.

Only those small businesses that win Phase I are eligible to apply for Phase II, the detailed research and development phase that lasts about two years and often ends with the development of a prototype product or process. Commercial potential also receives increased emphasis in Phase II. The amount that can be awarded in Phase II has been raised from \$500,000 to \$750,000.

Small businesses conduct Phase III with non-SBIR funds to pursue commercial applications of the R&D funded in Phases I and II. Phase III is the keystone of the program and involves private sector investment and support

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<sup>4</sup> The Small Business Innovation Research program began as a government-wide program in FY 1983. The most recent extension of the program was authorized in the Small Business Innovation Research Program Reauthorization Act of 1992. This act expanded the size of the program and reauthorized it for an additional seven years, through FY 2000.

for introducing the innovation into the marketplace. Phase III may involve non-SBIR R&D or production contracts with a federal agency for products or processes intended for use by the federal government.

In the first 14 years of the program, more than \$6.5 billion has been awarded to small businesses in 41,425 projects (Table B.8). The program has been very competitive: on average, seven proposals have been received for every Phase I award.

Agencies using SBIR contracts include the Departments of Commerce, Defense, Education, and Transportation, the Environmental Protection Agency, the National Aeronautics and Space Administration, the Nuclear Regulatory Commission and, initially, the Department of the Interior. SBIR awards are made in the form of grants at the Departments of Agriculture, Energy, and Health and Human Services, and the National Science Foundation, and thus are not included in any R&D data in other tables in this appendix.

In FY 1996, awards were made in every state and the District of Columbia, with concentrations in technology-rich California and Massachusetts (Table B.9).

## **Procurement From Minority- and Women-Owned Businesses**

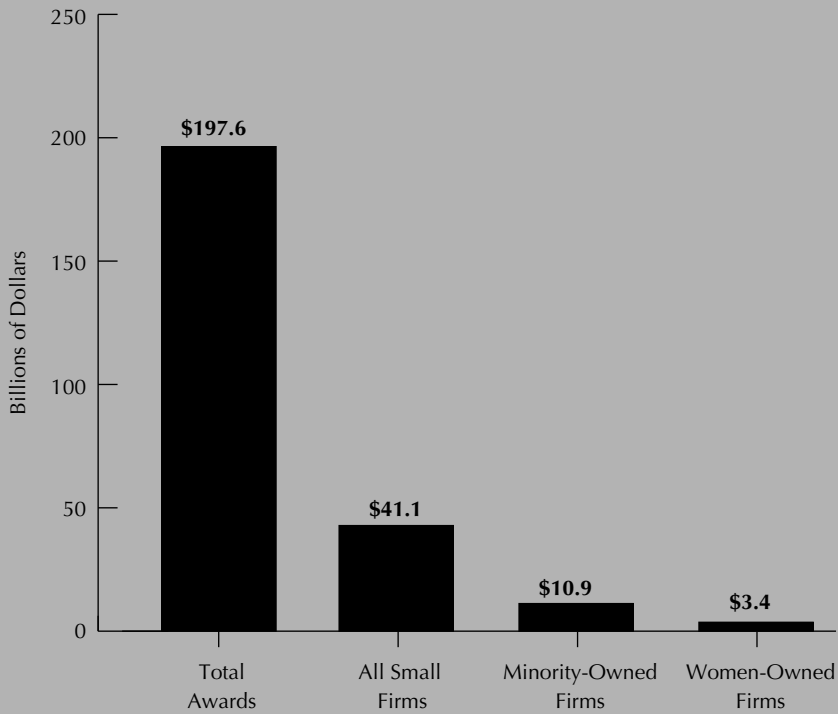
Relative to their representation in the business population, small women- and minority-owned businesses still account for a small percentage of total federal award dollars (Chart B.2). The gap is greatest for women-owned businesses, which constitute approximately one-third of the total nonagricultural business population of the United States. Small women-owned businesses obtained only 1.7 percent of the FY 1996 federal contract dollars (Table B.10). Minority-owned businesses make up 9 percent of the business population of the United States; however, small minority-owned businesses won just 5.5 percent of the award dollars.<sup>5</sup>

Ninety-four percent of the FY 1996 dollar awards to small minority-owned businesses were in contract actions over \$25,000; small women-

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<sup>5</sup> For additional information, see Harry J. Chmelynski and Jonathan Skolnik, *The Pattern of Federal Procurement From Minority and Women-Owned Small Business*, report no. PB93-182582, prepared by Jack Faucett Associates for the U.S. Small Business Administration, Office of Advocacy (Springfield, Va.: National Technical Information Service, 1993). The Faucett study indicates that women-owned firms, after adjustments were made for comparable procurement/industry characteristics, competed for and won contracts over a five-year period with a value that exceeded the annual rate of growth in federal contracting overall and in the gross domestic product. The latest Bureau of the Census data available indicate that there were 5.9 million women-owned businesses in 1992 and 1.2 million minority-owned businesses in the United States in 1987. See also U. S. Department of Commerce, Bureau of the Census, *1987 Survey of Minority-Owned Business Enterprises, Summary* (Washington, D. C.: U. S. Government Printing Office, August 1991) and *idem; Women-Owned Business, 1992*, (Washington, D. C.: U.S. Government Printing Office, August 1990).

**Chart B.2** *Federal Contract Actions to Small, Minority-Owned, and Women-Owned Businesses, FY 1996*



Source: Federal Procurement Data System, *The FPDS Federal Procurement Report*, January 13, 1997.

owned firms received 80 percent of the value of their contract actions in this category. Conversely, 20 percent of award dollars to small women-owned businesses were in smaller awards of less than \$25,000, compared with only 6 percent of minority-owned contractors' awards. The percentage of contract dollars awarded in FY 1996 to both women- and minority-owned businesses is consistent with the dollars awarded in FY 1995.

## Changes in the Procurement Markets

Federal contract markets are changing at an unparalleled pace. Two recent laws, the Federal Acquisition Streamlining Act (FASA), enacted in 1994, and the Federal Acquisition Reform Act (FARA), enacted in 1996, have had an unprecedented impact on the federal procurement process. Additional reforms

are imminent, especially with the December 1997 enactment of both HUBZone and contract bundling legislation.<sup>6</sup>

The 1994 and 1996 laws are designed to save money, reduce paperwork burdens on federal contractors, facilitate the acquisition of commercial products, enhance the use of simplified procedures for small purchases, transform the acquisition process to electronic commerce, and improve the efficiency of the laws governing the procurement of goods and services.

The Small Business Administration has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This Internet-based data base of information on more than 171,000 small, small disadvantaged, and women-owned businesses will serve as an automated source list for contracting officers, a marketing tool for small firms, and a link to procurement opportunities and important information on federal contracting.

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<sup>6</sup> The Office of Advocacy in July of 1997 released a research study by Eagle Eye Publishers, Inc., *Bundled Contract Study FY91-FY95*, report no. PB97-180731, prepared for the U.S. Small Business Administration, Office of Advocacy (Springfield, Va: National Technical Information Service, 1997). This study showed that contract consolidation by government agencies is increasing and causing harm to small businesses. The contract bundling legislation that was enacted is intended to restrict unnecessary contract consolidations. The HUBZone legislation is intended to provide federal contracting opportunities for small businesses located in historically underutilized business zones. Both the HUBZone and contract bundling provisions, which were introduced as individual bills initially, were included in the Small Business Reauthorization Act of 1997 (P.L. 105-135), signed by President Clinton on December 2, 1997.



# Appendix B Tables

<b>Table B.1</b>	<i>Total Federal Prime Contract Actions, FY 1996</i>	<b>184</b>
<b>Table B.2</b>	<i>Federal Contract Actions over \$25,000, FY 1979–FY 1996</i>	<b>185</b>
<b>Table B.3</b>	<i>Distribution of Small Business Share of Dollars in Contract Actions over \$25,000 by Procuring Agency Source, FY 1996</i>	<b>186</b>
<b>Table B.4</b>	<i>Procurement Dollars in Contract Actions over \$25,000 by Major Agency Source, FY 1979–FY 1996</i>	<b>188</b>
<b>Table B.5</b>	<i>Small Business Share of Dollars in Contract Actions over \$25,000 by Major Procuring Agency, FY 1995 and FY 1996</i>	<b>189</b>
<b>Table B.6</b>	<i>Distribution of Prime Contract Actions over \$25,000 by Major Product or Service Category, FY 1995 and FY 1996</i>	<b>190</b>
<b>Table B.7</b>	<i>Small Business Share of Dollars in Contract Actions Over \$25,000 by Major Product or Service Category, FY 1995 and FY 1996</i>	<b>190</b>
<b>Table B.8</b>	<i>Small Business Innovation Research Program, FY 1983–FY 1996</i>	<b>191</b>
<b>Table B.9</b>	<i>SBIR Awards by SBA Region and State, FY 1996</i>	<b>192</b>
<b>Table B.10</b>	<i>Total Federal Contract Actions to Small, Women-Owned, and Minority-Owned Businesses, FY 1996</i>	<b>194</b>
<b>Table B.11</b>	<i>Annual Change in the Dollar Volume of Contract Actions over \$25,000 Awarded to Small, Women-Owned, and Minority-Owned Businesses, FY 1980–FY 1996</i>	<b>195</b>

**Table B.1**    *Total Federal Prime Contract Actions, FY 1996*  
*(Thousands of Dollars)*

	Thousands of Dollars		Small Business Share (Percent)
	Total	Small Business	
Total	197,579,149	41,142,857	21
Actions under \$25,000	18,971,206	9,183,409	48
Actions over \$25,000 (Reported Individually)	178,607,943	31,959,448	18

Source: Federal Procurement Data System, Federal Procurement Report (Washington, D.C.: U.S. Government Printing Office, January 13, 1997).

**Table B.2** *Federal Contract Actions over \$25,000, FY 1979–FY 1996*

Fiscal Year	Thousands of Dollars		Small Business Share (Percent)
	Total	Small Business	
1996	178,607,943	31,959,448	17.9
1995	180,851,975	31,807,263	17.6
1994	174,687,951	28,423,033	16.3
1993	178,336,979	27,947,441	15.7
1992	177,786,381	28,229,749	15.9
1991	189,602,220	28,847,358	15.2
1990	171,300,890	25,401,626	14.8
1989	168,694,981	23,716,171	14.1
1988	174,097,585	25,671,318	14.7
1987	181,538,592	27,927,719	15.4
1986	183,650,227	28,780,092	15.7
1985	187,985,466	26,702,695	14.2
1984	167,933,486	25,506,023	15.2
1983	155,588,106	22,080,024	14.2
1982	152,397,884	23,558,563	15.5
1981	128,864,744	20,068,789	15.6
1980	100,893,385	15,326,121	15.2
1979	88,293,438	14,012,838	15.9

Note: Starting in FY 1983, the dollar threshold for reporting detailed information on DOD procurement actions increased from \$10,000 to \$25,000. For civilian agencies, a similar change was made starting in FY 1986.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995, January 29, 1996, and January 13, 1997); and idem, "Special Report S89522C" (prepared for the U.S. Small Business Administration, Office of Advocacy, June 12, 1989).

**Table B.3** *Distribution of Small Business Share of Dollars in Contract Actions over \$25,000 by Procuring Agency Source, FY 1996*

	Total Small Business (Thousands of Dollars)	Small Business Distribution (Percent)	Rank
Total, All Agencies	31,959,448	100.00	—
Agency for International Development	172,343	0.54	17
Commodity Futures Trading Commission	4,170	0.01	32
Consumer Product Safety Commission	323	*	45
Corporation for National and Community Service	497	*	44
Department of Agriculture	1,055,026	3.30	4
Department of Commerce	290,162	0.91	13
Department of Defense	20,897,171	65.39	1
Department of Education	66,765	0.21	19
Department of Energy	434,464	1.36	10
Department of Health and Human Services	580,094	1.82	7
Department of Housing and Urban Development	45,579	0.14	20
Department of the Interior	394,729	1.24	11
Department of Justice	561,635	1.76	8
Department of Labor	188,843	0.59	15
Department of State	217,183	0.68	14
Department of the Treasury	472,234	1.48	9
Department of Transportation	1,322,928	4.14	3
Department of Veterans Affairs	752,944	2.36	6
Environmental Protection Agency	178,515	0.56	16
Equal Employment Opportunity Commission	1,451	*	39
Executive Office of the President	6,034	0.02	29
Federal Communications Commission	1,209	*	42
Federal Election Commission	135	*	51
Federal Emergency Management Agency	33,657	0.11	22
Federal Energy Regulatory Commission	6,542	0.02	27
Federal Maritime Commission	—	*	53
Federal Trade Commission	3,780	0.01	34
General Services Administration	2,590,561	8.11	2
International Trade Commission	226	*	48
Interstate Commerce Commission	275	*	47
John F. Kennedy Center	139	*	50
Merit Systems Protection Board	31	*	52
National Aeronautics and Space Administration	1,043,154	3.26	5
National Archives and Records Administration	4,660	0.01	31
National Foundation on the Arts	1,377	*	40
National Foundation on the Humanities	312	*	46
National Gallery of Art	5,925	0.02	30
National Labor Relations Board	2,702	*	37
National Mediation Board	1,274	*	41
National Science Foundation	6,079	0.02	28
Nuclear Regulatory Commission	41,553	0.13	21
Office of Personnel Management	22,264	0.07	24
Peace Corps	1,183	*	43
Railroad Retirement Board	3,180	*	36
Securities and Exchange Commission	8,387	0.03	26

**Table B.3** *Distribution of Small Business Share of Dollars in Contract Actions over \$25,000 by Procuring Agency Source, FY 1996—Continued*

	Total Small Business (Thousands of Dollars)	Small Business Distribution (Percent)	Rank
Selective Service System	147	*	49
Small Business Administration	—	*	53
Smithsonian Institution	24,673	0.08	23
Social Security Administration	130,996	0.41	18
Tennessee Valley Authority	352,815	1.10	12
U.S. Arms Control and Disarmament Agency	1,456	*	38
U.S. Soldiers and Airmen's Home	3,809	0.01	33
U.S. Trade and Development Agency	3,773	0.01	35
U.S. Information Agency	20,084	0.06	25

\* Less than 0.01 percent.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 13, 1997).

**Table B.4** *Procurement Dollars in Contract Actions over \$25,000 by Major Agency Source, FY 1979–FY 1996*

Fiscal Year	Total (Billions of Dollars)	Percent of Total			
		DOD	DOE	NASA	Other
1996	178.6	68.7	9.0	6.3	16.0
1995	180.9	65.5	9.3	6.5	18.7
1994	174.7	67.4	10.2	6.5	15.9
1993	178.3	68.1	10.3	6.6	15.0
1992	177.8	67.7	10.4	6.8	15.1
1991	189.6	71.1	9.7	6.2	13.0
1990	171.3	74.9	9.3	6.7	9.1
1989	168.7	75.1	10.4	5.8	8.7
1988	174.1	77.5	8.3	4.8	9.4
1987	181.5	78.6	7.7	4.2	9.5
1986	183.7	79.6	7.3	4.0	9.1
1985	188.0	80.1	7.7	4.0	8.2
1984	167.9	79.3	7.8	3.9	9.0
1983	155.6	79.2	8.3	4.0	8.5
1982	152.4	80.0	9.1	3.5	7.4
1981	128.9	75.4	9.1	3.7	11.8
1980	100.9	75.7	8.4	4.3	11.6
1979	88.3	72.7	10.4	4.2	12.7

Note: Starting in FY 1983, the dollar threshold for reporting detailed information on DOD procurement actions increased from \$10,000 to \$25,000. For civilian agencies, a similar change was made starting in FY 1986.

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, February 7, 1995, January 29, 1996, January 13, 1997); and idem, "Special Report 87458A" (prepared for the U.S. Small Business Administration, Office of Advocacy, May 19, 1988).

**Table B.5** *Small Business Share of Dollars in Contract Actions over \$25,000 by Major Procuring Agency, FY 1995 and FY 1996*

	FY 1996		Small Business Share		Share Rank 1996
	(Thousands of Dollars)		(Percent)		
	Total	Small Business	1995	1996	
Total, All Agencies"	178,607,943	31,959,448	17.6	17.9	
Department of Defense	122,680,915	20,897,171	16.3	17.0	18
Department of Energy	16,132,608	434,464	2.9	2.7	24
National Aeronautics and Space Administration	11,303,502	1,043,154	8.8	9.2	22
General Services Administration	5,472,791	2,590,561	34.4	47.3	2
Department of Transportation	3,104,755	1,322,928	43.2	42.6	4
Department of Health and Human Services	2,406,805	580,094	35.3	24.1	13
Department of Veterans Affairs	2,395,394	752,944	36.5	31.4	7
Department of Agriculture	2,318,600	1,055,026	43.1	45.5	3
Tennessee Valley Authority	2,205,644	352,815	17.8	16.0	19
Department of Justice	2,036,271	561,635	35.2	27.6	9
Department of the Treasury	1,780,552	472,234	27.5	26.5	10
Environmental Protection Agency	999,655	178,515	23.1	17.9	16
Department of Labor	827,105	188,843	21.3	22.8	14
Department of the Interior	808,567	394,729	47.5	48.8	1
Department of Commerce	780,810	290,162	40.5	37.2	5
Agency for International Development	694,828	172,343	NA	24.8	12
Department of State	673,925	217,183	35.2	32.2	6
Social Security Administration	458,818	130,996	32.6	28.6	8
Department of Education	426,124	66,765	17.3	15.7	21
Department of Housing and Urban Development	232,608	45,579	12.5	19.6	15
Federal Emergency Management Agency	189,286	33,657	28.3	17.8	17
U.S. Information Agency	127,110	20,084	46.1	15.8	20
National Science Foundation	123,249	6,079	5.6	4.9	23
Smithsonian Institution	93,764	24,673	65.8	26.3	11

NA = Not available.  
 All agencies are represented in the total dollars for FY 1996; the organizations listed are those agencies that awarded at least \$90 million in individual contract actions over \$25,000 in FY 1996.  
 Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 29, 1996 and January 17, 1997).

**Table B.6** *Distribution of Prime Contract Actions over \$25,000 by Major Product or Service Category, FY 1995 and FY 1996 (Percent)*

Product /Service Category	FY 1995	FY 1996
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
Research and Development	15.7	15.8
Other Services and Construction	48.6	47.9
Supplies and Equipment	35.7	36.3

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 29, 1996 and January 16, 1997).

**Table B.7** *Small Business Share of Dollars in Contract Actions Over \$25,000 by Major Product or Service Category for FY 1995 and FY 1996 (Percent)*

Product/Service Category	FY 1995		FY 1996	
	Thousands of Dollars	Small Business Share (Percent)	Thousands of Dollars	Small Business Share (Percent)
<b>Research and Development</b>				
Total	27,794,902		28,221,041	
Small Business	3,115,031	11.2	3,399,266	12.0
<b>Other Services and Construction</b>				
Total	82,401,190		85,595,183	
Small Business	19,077,103	23.2	19,593,971	22.9
<b>Supplies and Equipment</b>				
Total	59,858,589		64,795,620	
Small Business	8,972,398	15.0	9,537,456	14.7

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 29, 1996, and January 13, 1997).



**Table B.8** *Small Business Innovation Research Program, FY 1983–FY 1995*

Fiscal Year	Phase I		Phase II		Total (Awards in Millions of Dollars)
	Number of Proposals	Number of Awards	Number of Proposals	Number of Awards	
<b>Total</b>	<b>236,546</b>	<b>30,750</b>	<b>25,002</b>	<b>10,675</b>	<b>6,545.6</b>
1996	18,378	2,841	2,678	1,191	874.7
1995	20,185	3,085	2,856	1,263	981.7
1994	25,588	3,102	2,244	928	717.6
1993	23,640	2,898	2,532	1,141	698.0
1992	19,579	2,559	2,311	916	508.4
1991	20,920	2,553	1,734	788	483.1
1990	20,957	2,346	2,019	837	460.7
1989	17,233	2,137	1,776	749	431.9
1988	17,039	2,013	1,899	711	389.1
1987	14,723	2,189	2,390	768	350.5
1986	12,449	1,945	1,112	564	297.9
1985	9,086	1,397	765	407	199.1
1984	7,955	999	559	338	108.4
1983	8,814	686	127	74	44.5

Note: Phase I evaluates the scientific and technical merit and feasibility of an idea. Phase II expands on the results and further pursues the development of Phase I. Phase III commercializes the results of Phase II and requires the use of private or non-SBIR federal funding. The Phase II proposals and awards in FY 1983 were pursuant to predecessor programs that qualified as SBIR funding.

Source: U.S. Small Business Administration, Office of Innovation, Research and Technology (annual reports for FY 1983–FY 1995).

**Table B.9** *SBIR Awards by SBA Region and State, FY 1996*

Region and State	1996 Total Awards
<b>U.S. Total</b>	<b>4,032</b>
<b>Region I</b>	<b>819</b>
Connecticut	111
Maine	7
Massachusetts	627
New Hampshire	52
Rhode Island	9
Vermont	13
<b>Region II</b>	<b>316</b>
New Jersey	134
New York	182
<b>Region III</b>	<b>551</b>
Delaware	16
District of Columbia	9
Maryland	161
Pennsylvania	133
Virginia	228
West Virginia	4
<b>Region IV</b>	<b>287</b>
Alabama	74
Florida	87
Georgia	26
Kentucky	7
Mississippi	8
North Carolina	38
South Carolina	11
Tennessee	36
<b>Region V</b>	<b>361</b>
Illinois	48
Indiana	23
Michigan	74
Minnesota	69
Ohio	114
Wisconsin	33

**Table B.9** *SBIR Awards by SBA Region and State, FY 1996—Continued*

Region and State	1996 Total Awards
<b>Region VI</b>	<b>257</b>
Arkansas	2
Louisiana	11
New Mexico	77
Oklahoma	10
Texas	157
<b>Region VII</b>	<b>24</b>
Iowa	5
Kansas	7
Missouri	10
Nebraska	2
<b>Region VIII</b>	<b>228</b>
Colorado	159
Montana	10
North Dakota	3
South Dakota	6
Utah	45
Wyoming	5
<b>Region IX</b>	<b>1,020</b>
Arizona	92
California	906
Hawaii	14
Nevada	8
<b>Region X</b>	<b>169</b>
Alaska	5
Idaho	5
Oregon	61
Washington	98

Source: U.S. Small Business Administration, Office of Advocacy, based upon SBA's Office of Innovation, Research and Technology data, June 1998.

**Table B.10** *Total Federal Contract Actions to Small, Women-Owned, and Minority-Owned Businesses, FY 1996 (Thousands of Dollars)*

	Total	Actions Over \$25,000	Actions of \$25,000 Or Less
<b>Total</b>	<b>197,579,149</b>	<b>178,607,943</b>	<b>18,971,206</b>
Small Business	41,142,857	31,959,448	9,183,409
Percent of Total	21	18	48
Women-Owned Business	3,440,901	2,737,889	703,012
Percent of Total	1.7	1.5	3.7
Minority-Owned Business	10,926,169	10,292,619	633,550
Percent of Total	5.5	5.8	3.3

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 13, 1997).

**Table B11** *Annual Change in the Dollar Volume of Contract Actions over \$25,000 Awarded to Small, Women-Owned, and Minority-Owned Businesses, FY 1980-FY 1996 (Thousands of Dollars)*

	Total, All Business				Small Business				Women-Owned Business				Minority-Owned Business			
	Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)	Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)	Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)	Total (Thousands of Dollars)	Change From Prior Year		Total (Thousands of Dollars)
		Thousands of Dollars	Percent			Thousands of Dollars	Percent			Thousands of Dollars	Percent			Thousands of Dollars	Percent	
1996	178,607,943	-2,244,032	-1.2	31,959,448	152,185	0.5	2,737,889	-82,359	-2.9	10,292,619	-226,850	-2.2				
1995	180,851,975	6,164,024	3.5	31,807,263	3,384,230	11.9	2,820,248	508,700	22.0	10,519,469	1,459,981	16.1				
1994	174,687,951	-3,649,028	-2.0	28,423,033	475,592	1.7	2,311,548	262,828	12.8	9,059,488	255,468	2.9				
1993	178,336,979	550,598	0.3	27,947,441	-282,308	-1.0	2,048,720	56,155	2.8	8,804,020	1,007,913	12.9				
1992	177,786,381	-11,815,839	-6.2	28,229,749	-617,609	-2.1	1,992,565	227,399	12.9	7,796,107	1,309,818	20.2				
1991	189,602,220	18,301,330	10.7	28,847,358	3,445,732	13.6	1,765,166	287,272	19.4	6,486,289	796,229	14.0				
1990	171,300,890	2,605,909	1.5	25,401,626	1,685,455	7.1	1,477,894	74,955	5.3	5,690,060	356,172	6.7				
1989	168,694,981	-5,402,604	-3.1	23,716,171	-1,955,147	-7.6	1,402,939	75,215	5.7	5,333,888	141,382	2.7				
1988	174,097,585	-7,441,007	-4.1	25,671,318	-2,256,401	-8.1	1,327,724	74,839	6.0	5,192,506	343,381	7.1				
1987	181,538,592	-2,111,635	-1.1	27,927,719	-852,373	-3.0	1,252,885	56,034	4.7	4,849,125	563,200	13.1				
1986	183,650,227	-4,335,239	-2.3	28,780,092	2,077,397	7.8	1,196,851	102,643	9.4	4,285,925	401,286	10.3				
1985	187,985,466	20,051,980	11.9	26,702,695	1,196,672	4.7	1,094,208	238,077	27.8	3,884,639	-119,500	-3.0				
1984	167,933,486	12,345,380	7.9	25,506,023	3,425,999	15.5	856,131	244,755	40.0	4,004,139	817,048	25.6				
1983	155,588,106	3,190,222	2.1	22,080,024	-1,478,539	-6.3	611,376	60,775	11.0	3,187,091	328,180	11.5				
1982	152,397,884	23,533,140	18.3	23,558,563	3,489,774	17.4	550,601	-534,772	-49.3	2,858,911	223,903	8.5				
1981	128,864,744	27,971,359	27.7	20,068,789	4,742,668	30.9	1,085,373	297,844	37.8	2,635,008	813,087	44.6				
1980	100,893,385	-	-	15,326,121	-	-	787,529	-	-	1,821,921	-	-				

Source: Federal Procurement Data System, "Special Report S89522C" (prepared for the U.S. Small Business Administration, Office of Advocacy, June 12, 1989); "and idem, Federal Procurement Report (Washington, D.C.: U.S. Government Printing Office, July 10, 1990, March 13, 1991, February 3, 1994, and January 13, 1997).

